a steep rise in prices of essential commodities after the presentation of Central Government's Budget 1993-94;

(b) if so, what is the extent of rise in prices; and

(c) what measures Government propose to take to curb the rise in prices ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE AND MINISTER OF STATE IN THE MINISTRY OF PARLIAMENTARY AFFAIRS (DR. ABRAR AHMED) : (a) Yes, Sir. However, that was not a study but one and half page press release by the Institute listing the increase in prices of 12 essential commodities between November 1990 to March 1993 in Bangalore market only.

(b) The extent of price rise in 1992-93 in the Consumer Price Indices of various essential commodities at all India level is given in the Annexure [*See* Appendix CLXVII, Annexure No. 11]. The Post Budget increase/decrease in wholesale prices of essential commodities is also given.

(c) Amongst the measures taken by the Government to curb the price rise are the continued fiscal and monetary discipline, reduction in Customs and Excise duties, providing incentives for growth and augmentation of supplies through PDS.

Establishment of National Stock Exchange

890. SHRI S. VIDUTHALAI VIRUMBI :

SHRI V. GOPALSAMY :

Will the Minister of FINANCE be pleased to state :

(a) whether there is any proposal to establish National Stock Exchange;

(b) if so, what will be the salient features of this new stock exchange; and

(c) in what manner the new stock exchange will be different from the present stock exchanges functioning in different parts of the country ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE AND MINISTER OF STATE IN THE MINISTRY OF PARLIAMENTARY AFFAIRS (DR. ABRAR AHMED) : (a) to (c) The National Stock Exchange of India was established on 7th November, 1992. The Central Government has granted recognition to this Stock Exchange under Section 4 of the Securities Contract (Regulation) Act, 1956, on 26th April, 1993.

This Stock Exchange is expected to operate as a 'Model' Stock Exchange with the following distinguishing features :

(i) There will be no upper limit on trading membership.

(ii) Persons located anywhere in India will be eligible to apply for trading membership.

(iii) It would have two trading segments, one dealing with wholesale debt instruments and the other with capital market instruments.

(iv) The trading system would be automated and screen based.

(v) There will be no trading floor.

891. [*Transferred to 13th May*, 1993]

892. [*Transferred to 13th May*, 1993]

Overseas Investment in India

893. SHRI B. K. HARIPRASAD : Will the Minister of FINANCE be pleased to state :

(a) whether Government's attention has been drawn to reports (Economic Times : 5th April, 1993) that Mr. Nocholas T. Pinchuk of the Singapore based Carrier Internation Corporation has commented

adversely on the not-so-conducive investment climate in India, ranking India far below China in stability, growth and policies;

(b) whether Government have also seen a report (Economic Times : 10th April, 1993) on Hong-Kong based, business tycoon of Indian origin, Mr. Harilela's statement on China's highpitch campaign beamed towards Hong-Kong based Indian business community for possible investment in China; and

(c) whether Government have made any introspection to identify the reasons that the overseas investors are still shy to enter Indian market ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE AND MINISTER OF STATE IN THE MINISTRY OF PARLIAMENTARY AFFAIRS (DR. ABRAR AHMED) : (a) Yes, Sir.

(b) Yes, Sir.

(c) Yes, Sir. Foreign investment flows are best attracted by economic growth and expansion, alongwith right signals of stability and irreversibility of the reforms process, and removal of legal difficulties for foreign investors.

Release of Additional Funds for Agricultural Sector

894. SHRI RAM NARESH YADAV : Will the Minister of FINANCE be pleased to state :

(a) whether the Reserve Bank of India propose to release additional funds for the Agricultural Sector;

(b) if so, what are the details thereof; and

(c) what is the rate of interest to be charged on the loans ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE AND MINISTER OF STATE IN THE MINISTRY OF PARLIAMENTARY AFFAIRS (DR. ABRAR AHMED) : (a) and (b) The National Bank for Agriculture and Rural Development (NABARD) is providing short-term credit limits to co-operatives and Regional Rural Banks for financing seasonal agricultural operations, from out of General Line of Credit (GLC) provided by Reserve Bank of India (RBI). In view of increasing demand for such loans NABARD has sought enhanced limit of GLC from Reserve Bank of India. RBI had accordingly sanctioned Rs. 400 crores in January 1993 enhancing the GLC limit sanctioned for 1992-93 at Rs. 2700 crores to Rs. 3100 crores.

(c) Borrowings of NABARD from above limit provided by RBI carries interest at the same rate at which NABARD charges interest on its lending for the Co-operatives and Regional Rural Banks. NABARD is charging interest ranging between 3 per cent and 6.5 per cent to the State Co-operative Banks|Central Co-operatives Banks depending upon the level of dependence of the institutions on NABARD's refinance. The credit to Regional Rural Banks is provided at 5 per cent per annum.

Connivance of Officers of DRI and Customs in the smuggling of Explosives

895. SHRI JAGDISH PRASAD MATHUR : Will the Minister of FINANCE be pleased to state :

(a) whether Government have ordered any enquiry to find out the connivance or dereliction of duty by officers of DRI and Customs due to which huge quantities of explosives could be smuggled in Bombay and other areas on the West Coast;

(b) if so, what is the outcome thereof; and the action taken against the guilty officials; and